

On the first ballot Senator Gooch received nineteen votes, and Senator Houston received ten votes; whereupon Senator Gooch was declared by the President duly elected President *pro tem.* of the Senate.

Senators Houston and Rainey were appointed a committee to escort the President *pro tem.* to the chair, after the performance of which duty the President *pro tem.* elect delivered a short address, thanking the Senators for the honor conferred upon him.

Senator Shannon introduced a bill entitled "An act to amend article 3704 of the Revised Statutes of Texas." Referred to the Committee on Educational Affairs.

Senator Martin of Cooke offered the following preamble and resolution:

WHEREAS, The location of a branch office of the Western Union Telegraph Company in some portion of the Capitol building will be a convenience to members during the Legislature; and,

WHEREAS, Said company is prepared to extend their line from their office in town to the Capitol building as soon as space enough in said building is granted for office room; therefore,

Resolved by the Senate, the House of Representatives concurring, That sufficient space, say six by eight feet, be allowed the Western Union Telegraph Company for the establishment of a branch office in some comfortable part of the Capitol building, said privilege to expire with this session of the Legislature.

Referred to Committee on Public Buildings and Grounds.

Senator Swain offered a resolution, that the engrossing, enrolling and calendar clerks be required to act as committee clerks until this body shall have created other work, and until otherwise ordered by the Senate. Lost.

(The President in the chair.)

Senator Tilson offered a resolution, that the sergeant-at-arms of the Senate, be required to contract for all necessary postage stamps and wrappers for the use of the Senate. Adopted.

Senator Buchanan of Wood, introduced a bill entitled. "An act to amend chapter 116 of the General Laws of 1879, entitled, an act to define in what civil cases depositions of witnesses may be taken." Referred to Judiciary Committee No. 1.

Senator Shannon offered a resolution instructing the sergeant-at-arms to purchase desks, chairs, and such other furniture as may be needed by the enrolling, engrossing and calendar clerks. Adopted.

On motion of Senator Houston, a committee consisting of Senators Houston, Swain and Henderson, was appointed to wait upon His Excellency the Governor, and inform him that the Senate was fully organized and ready to receive any communication he might be pleased to make.

On motion of Senator Homan, a committee, consisting of Senators Homan and Stubbs, was appointed to inform the honorable House of Representatives that the Senate was fully organized.

The last named committee soon after reported that the duty was performed.

The committee to wait on His Excellency the Governor, also reported their duty performed.

On motion of Senator Houston, the Senate adjourned until to-morrow at 10 A. M.

### THIRD DAY.

SENATE CHAMBER,  
AUSTIN, January 13, 1881. }

The Senate met pursuant to adjournment.

Roll called—quorum present.

Prayer by the Chaplain.

On motion of Senator Homan, the reading of the journal was dispensed with, and the same adopted.

Senator Burton offered the following resolution:

Resolved That the pages and porters of the Senate each receive \$2.50 per day, during their time of service.

Adopted.

Senator Harris introduced a bill entitled "An act to amend article 314, of the Penal Code." Referred to Judiciary Committee No. 2.

Senator Swain offered the following resolution:

Resolved, That a committee of three be appointed by the President of the Senate, to act with a like committee of the House, for the purpose of perfecting arrangements for counting the votes for Governor and Lieutenant-Governor, and for making all necessary arrangements for the inauguration of those officers.

Adopted.

The President appointed on the above committee, Senators Martin of Cooke, Houston and Rainey.

Senator Martin of Cooke, introduced a bill entitled "An act to repeal Article 451, chapter 6, of title 17, of 'an act to adopt and establish the Revised Civil Statutes of the State of Texas.'" Read by caption and referred to Judiciary Committee No. 1.

Senator Buchanan of Wood, introduced a bill entitled "An act to give orders of sale foreclosing liens upon real estate the force and effect of writs of restitution." Read and referred to Judiciary Committee No. 1.

Senator Homan offered the following resolution:

Resolved, That the Committee on Public Printing be authorized to contract for the printing of five hundred copies daily of the journal of the Senate, in quarto form for distribution; and five hundred copies daily be reserved for binding; and that each Senator be allowed to subscribe for not more than thirty copies of such daily papers as he may select containing a synopsis of the proceedings of the Senate, at a cost not to exceed three cents per copy.

Referred to Committee on Public Printing.

Senator Rainey, for the Committee on Public Buildings and Grounds, submitted the following report:

COMMITTEE ROOM,  
AUSTIN, January 13, 1881.

Hon. J. D. Sayers, President of the Senate:

Your Committee on Public Buildings and Grounds, to whom was referred joint resolution "that sufficient space, say six or eight feet, be allowed the Western Union Telegraph Company for the establishment of a branch office in some comfortable part of the Capitol building, said privilege to expire with this session of the Legislature," beg leave to report that they have considered the same and recommend its passage with the following amendment:

The character of the privilege to be conferred by this resolution is such that there is an imperative necessity that the constitutional rule requiring it to be read on three several days be suspended, and creates an emergency requiring that it take effect from and after its passage, and it is so enacted.

RAINEY, for Committee.

Resolution read first time.

On motion of Senator Martin of Cooke, the rules were suspended by four-fifths vote, and the resolution put upon its second reading.

YEAS—19		
Buchanan of Grimes	Gooch,	Martin of Navarro,
Buchanan of Wood,	Harris,	Moore,
Burges,	Lair,	Patton,
Cooper,	Lane,	Ross,
Davenport,	Lightfoot,	Stubbs,
Duncan,	Martin of Cooke,	Swain,
		Weatherred.

NAYS—none.

NOT NOTING—0.		
Burton,	Shannon,	Tilson,
Rainey,	Terrell,	Wynno.

Resolution read second time and ordered engrossed.

The rules were further suspended by the following vote, and the resolution put upon its third reading, viz:

YEAS—23.		
Buchanan of Grimes	Henderson,	Martin of Navarro,
Buchanan of Wood,	Hightower,	Moore,
Burges,	Homan,	Patton,
Cooper,	Houston,	Ross,
Davenport,	Lair,	Stubbs,
Duncan,	Lane,	Swain,
Gooch,	Lightfoot,	Weatherred.
Harris,	Martin of Cooke,	

## NAYS—none.

## NOT VOTING—6.

Burton,  
Rainey,Shannon,  
Terrell,Tilson,  
Wynne.

Resolution read third time and passed by the following vote:

## YEAS—27.

Buchanan of Grimes  
Buchanan of Wood,  
Burgess,  
Burton,  
Cooper,  
Davenport,  
Duncan,  
Gooch,  
Harris,Henderson,  
Hightower,  
Homan,  
Houston,  
Lair,  
Lane,  
Lightfoot,  
Martin of Cooke,  
Martin of Navarro,Moore,  
Patton,  
Rainey,  
Ross,  
Shannon,  
Stubbs,  
Swain,  
Terrell,  
Tilson.

## NAYS—none.

## NOT VOTING.—2.

Weathered,

Wynne.

A message was received from the House informing the Senate that the House had fully organized by the election of the following officers:

Geo. R. Reeves, Speaker; Will Lambert, chief clerk; J. W. Booth, assistant clerk; H. C. Mound, journal clerk; B. W. Howard, engrossing clerk; J. L. Autry, enrolling clerk; M. A. Harvey, calendar clerk; J. S. Boggs, sergeant-at-arms; T. L. Railey, assistant sergeant-at-arms; N. H. Darnell, door-keeper; W. J. C. Autry, assistant door-keeper; Quitman Finlay, messenger and postmaster; B. W. Brown, chaplain.

Also, that the House had adopted the following resolution:

*Resolved*, That the Speaker appoint a committee of three, to act jointly with a like committee on the part of the Senate, for perfecting the arrangements for counting the votes for Governor and Lieutenant-Governor, and to make arrangements for the inauguration of said officers.

And that Messrs. Baker, McComb and Carleton had been appointed as such committee on part of the House.

Senator Stubbs introduced a joint resolution regarding the port of Galveston. Referred to Committee on Commerce and Manufactures.

Senator Henderson offered the following resolution:

*Resolved*, That the President appoint a standing committee, distinct from the Committee on Educational Affairs, to whom shall be referred all bills, resolutions and business of whatever character concerning the State University, the State Normal School and the Agricultural and Mechanical College of Texas, to be called the Committee on State University, Normal Schools and Agricultural College.

On motion of Senator Swain it was referred to the Committee Educational Affairs.

Senator Davenport introduced the following resolution:

*Resolved*, That the Chairmen of the Judiciary Committees be authorized to appoint, with the concurrence of the members thereof, clerks, when the business of the committees may require it.

Adopted.

Senator Houston submitted a joint resolution proposing an amendment to article 5 of the Constitution of the State of Texas. Referred to the Committee on Constitutional Amendments.

Senator Gooch offered a joint resolution proposing an amendment to article 5, of the Constitution of the State of Texas, creating the judicial department, by substituting another article therefor. Referred to Committee on Constitutional Amendments.

Also, a bill entitled "An act to create a commission to sell and lease the public lands of the State of Texas." Referred to the Committee on Public Lands.

Senator Houston introduced the following concurrent resolution:

*Resolved by the Senate, the House concurring*, That the standing Committees Constitutional Amendments act together in passing amendments proposed to the Constitution.

Referred to the Committee on Constitutional Amendments.

The following message was received from His Excellency, the Governor:

EXECUTIVE OFFICE, STATE OF TEXAS, }  
AUSTIN, January 13, 1881. }

Gentlemen of the Senate and House of Representatives of the State of Texas, in the Legislature assembled:

As chief Executive of the State, I welcome you to the capital as representatives of the people. You have come here, elected by the free suffrages of the voters, untrammled by a single act of violence to control them, and without the use of money to influence them. For them, and in their stead, you are here to pass laws for the public welfare, in accordance with the Constitution of the State. Within its limits, and under its delegated authority, you, as the legislative body, constitute the controlling power of the State. It is your province to investigate and correct the abuses of the past and make improvements in the future in all of the departments and operations of the State government. I invite your close investigation of the operations of government during the past two years of my administration as a predicate for further legislation.

As a State, and as a people, we have much to be thankful for now, and much to hope for in the future. Health and prosperity have signally blessed us. Our vast domain is teeming with rich productions, and is full of stirring enterprises and improvements. All of the departments of the government exhibit a healthful efficiency with proper economy. Our small public debt is decreasing, and our public credit is increasing annually. Our moderate taxes may be decreased, rather than increased, to sustain our growing prosperity. We are now in a situation to rapidly and safely develop all of our varied interests. The great body of our citizens in all parts of the State have manifested their full confidence in the present administration of the State government, and are doubtless sanguine in the expectation that its continuance will lead to the greatness commensurate with its magnificent resources. If those who are entrusted with its government can now and hereafter fully appreciate the magnitude and extent of those resources, and can command the statesmanship for their early development, Texas must, ere long, be the great and prosperous State of the American Union. As our opportunities are great, so must our exertions be, to be adequate to them. Occupying the position that I do now, as a Governor whose term of office is about closing, it would seem most proper that in this message your attention should be called to the policy which has characterized the administration of the State government during the two preceding years, and its results, and only such recommendations as are naturally suggested in presenting them; leaving any advance in the policy that is to be proposed in the incoming administration for subsequent presentation.

The central idea of that administration has been, and is, to establish and perpetuate in this State

## A GOOD SYSTEM OF FINANCE.

Long before, and at the time I was called to the office of Chief Executive, the conclusion had been reached and firmly settled in my mind that the central pillar that upholds good government in any country, is a good financial system. Not so much because its monetary affairs are more important intrinsically than other objects of government, as because the very effort to establish it upon a basis that can be perpetuated, necessitates a scrutinizing investigation into every department and operation of the government, by which any lurking evils or imperfect action may be discovered and corrected, and that which needs fostering may be promoted by the ability to promote it which it secures when attained and preserved permanently. It consists in the collection of a revenue annually, adequate to the support of an efficient admin-

istration of the government, by means of an equalized taxation upon property and persons, not burdensome upon any of the material interests of the country; and in the honest and economical collection and disbursement of the revenue to those entitled to it by the rendition of useful public services without favoritism or extravagance. The test by which its attainment and preservation is to be measured, is generally that the annual expenditures shall be brought within the annual revenue collected, in such manner as that even-handed justice shall be done, and be commonly felt to be done, to all persons and interests as nearly as practicable. There may be, as there has been in the best organized governments, temporary evils to be corrected or particular interests to be advanced which would justify a temporary departure from this test, without preventing the capacity to return to it, as the true rule to be kept in view, and to be in the main, conformed to. Still it is utterly opposed to any speculative mania in which great future advantages are anticipated in the future by the reckless extravagance of the present, by which piles of debt are heaped upon posterity. In governmental affairs, as in all natural objects, the regular and gradual progress of growth will alone with certainty secure solidity and stability in structure.

In regard to the first branch of this proposition, of equal taxation upon persons and property, its foundation is securely laid in the Constitution of the State, requiring all property to be taxed *ad valorem*. Texas is perhaps the first State in the Union that adopted that as a general rule of taxation to be peremptorily enforced in legislation.

That rule is subject to equitable qualifications, in proportion as the different species of property or its use may be a greater or a less expense to the government in its use or in its protection. And, hence, income taxes and occupation taxes, except in agricultural and mechanical pursuits, are permitted, though not mandatory in the Constitution. Those who framed the Constitution could well make this exception in advance upon the well-known fact, that generally property employed in agricultural and mechanical pursuits are in this State of much less expense to the government in its protection and use than that of a more transient nature, employed in the more active and usually more profitable pursuits. An occupation tax, apart from this consideration, can be usefully employed as a means of reaching transient property, such as that engaged in merchandise, and other like occupations, wherein it is impracticable to adequately reach it by an *ad valorem* tax, and is of a character that entails upon the government great expense in its use and protection. In the imposition of the occupation tax it was anticipated that discriminations should be made in different species of occupations under the qualification referred to, and to enforce a just equality therein, in regard to each class, it was provided in the Constitution that "all occupation taxes shall be equal and uniform upon the same class of subjects, within the limits of the authority levying the tax." This, in its very terms, shows that the object of this occupation tax was to reach the "subjects,"—the property used in the different classes of occupations—rather than to impose a burden on persons who follow the different classes of occupations. This may be illustrated by the occupation tax imposed on merchants, which, under the present law, is divided into six classes, having reference to the amount of goods purchased, and ranging proportionately from five to two hundred dollars taxes imposed. So with the occupation tax upon liquor dealers, and especially under the law known as the boll-punch law, the object of which was both to tax the transient property in the hands of the dealer, and to tax the use of it, which entails more expense and trouble to the country than any other property of the same value. It was a law eminently just in itself (except that it made the person who paid his money

for the use indictable, if the punch was not rung). If it could have been properly executed, it would have, as it has been estimated, produced a million of dollars of revenue, which might have been profitably used in the more efficient prevention and punishment of the crimes and other evils which the use of liquor inflicts upon the country; or it might have been used in the course of time, by a change of the Constitution, to exempt from taxation every citizen's homestead in the State of Texas.

So of the drummer tax, which is founded on the same just principle, having reference to the mode in which trade is now carried on. Our own mercantile houses that send out traveling agents pay an occupation tax, in addition to their annual *ad valorem* tax. They transact their business in making sales in just the same manner that it is done by mercantile houses located at any place outside of the State, as in St. Louis, Chicago, New York, or New Orleans; and therefore, to require an occupation tax upon all alike, whether they travel for a house out of or in the State is simply not to discriminate against the trade of our own merchants, which would be unjust.

So with a circus company, that may bring into and travel over the state with one hundred thousand dollars worth of property, used for profit and protected while in its transit. It could not be taxed as permanent property by an *ad valorem* tax, on account of its temporary use within the State, and therefore an occupation tax is the proper one to be imposed.

All occupation taxes, therefore, in the point of view here presented, should have relation to the amount and kind of property used in any occupation that is taxed, and then it is only an approximate mode of reaching such property when it cannot be justly or adequately reached by an *ad valorem* taxation. An examination of the Comptroller's report will show the great increase of revenue derived from the adoption of this policy by the Sixteenth Legislature in the passage of laws relating to taxation. The *ad valorem* taxes are assessed upon the permanent property every year, the greater portion of which consists in farms, lots, and other lands, and if the records of the courts are examined it will be found that in proportion to the amount and value of this kind of property it is less expensive to the government by litigation in the courts, and otherwise, than any other property, and still it pays the greatest amount of taxes proportionately through a series of years. Another consideration in favor of this species of property is that a vast amount of it in Texas is not in cultivation, even in the settled portions of the state, and thereby non-productive of values, except prospectively. If, therefore, this legislature should find it practicable to diminish the taxes, as I trust it may to some extent, it is respectfully submitted that it should be in the *ad valorem* taxes, which bear the hardest upon permanent property that in the main entails the least expense upon the government in its use and for its protection.

An income tax is not adapted to this country, at this time, because we have few incomes to tax, unless we should consider the net profits of business, combining labor and capital to be incomes, which would be a misnomer, as that term is used as indicating an object of taxation.

On the other branch of this proposition, the honest and economical collection and disbursement of the revenues to those entitled to it by the rendition of useful public service, without favoritism or extravagance, ample guides are found in a few plain rules, such as that real efficiency is true economy, and adequate means are necessary to procure it in the administration of public as well as private affairs. For while cheap labor in the public service tends to inefficiency on the one hand, if to nothing worse, favoritism leads to dissatisfaction and corruption on the other, without ensuring efficiency. Almost every public service has sufficiently like it some similar service in private employments that would furnish an approximate standard of compensation. It is only by a reference to and action upon



some such standard, that fully competent services can be obtained in public employments, which is essential to good government. Nothing short of a want of ability pecuniarily to afford it should ever prevent the State from furnishing the means to secure competent service in all of its departments, according to the amount and importance of the work to be done. Neither patriotism nor the love of office without something like adequate compensation, will be sufficient to procure such services permanently. The Sixteenth Legislature, upon the standard indicated, diminished the salaries of some of the clerks in the departments, and of some other officers and employes, without any apparent detriment to the public service, as yet exhibited. On the other hand provision was made for district attorneys in a number of districts, which increased the expense of the prosecuting officers of such districts by the salaries allowed them. In those districts, the improvement in the execution of its laws was manifest, from the greater number of convictions, and of convicts sent to the penitentiary. Only those familiar instances are referred to now, but attention will again be called to this branch of the subject, in connection with some recommendations, which will be made with a view to increase the power of the government in the enforcement of the laws.

Next your attention will be called to some of

#### THE RESULTS OF THIS POLICY,

so far as it was acted on by the Sixteenth Legislature in the passage of laws to carry it out, in aid of those already passed.

The most notable result is that there is shown in the reports of the State Treasury, upon the convening of this Legislature, an amount of revenue subject to the payment of current expenses and interest on the public debt, the sum of \$707,189.78 on the first of September, 1880, and on the first of January, 1881, the sum of \$794,849.79, with a deficiency produced by a want of appropriation, and not of money, known and estimated to be \$105,075.36, it being composed of \$75,075.36, the deficiency in the two last years, and \$30,000 appropriated in 1879 for payment of school claims still unpaid, and for which the money is in the Treasury; which leaves a surplus revenue of \$689,774.43.

In addition to this there has been revenue devoted to the sinking fund for the the redemption and retirement of Texas State bonds to the amount of \$250,000, all of which has been used for that purpose, except \$11,000.95, which is still in the Treasury. Our bonded debt, in the two years to the first day of January, 1881, has been diminished \$30,247, and the annual interest on it has been diminished in amount \$58,266.90, by exchanging five per cent bonds for ten per cents, and by the diminution of the bonded debt.

Out of the revenue there has been paid \$208,059.31, to discharge the principal and interest of that amount of four per cent deficiency warrants, issued under the act of 1879, and the sum of \$202,978.71 more of said warrants have been paid by exchanging for them \$200,000 in five per cent bonds (which is now part of our diminished bonded debt), and by this payment of four per cent warrants, we will not hereafter pay \$16,441.52 interest on \$411,038.02 deficiency warrants. Thus there will have to be provision made hereafter for \$74,608.42, less interest, than was made and necessary to be made by the Sixteenth Legislature, after having authorized the issuance of the four per cent deficiency warrants. In point of fact, however, these warrants were paid before a great deal of interest was due on them, and the amounts of revenue actually used in the these transactions are \$250,000, used and set apart for sinking fund, and \$208,059.31 paid in money on the principal and interest of the four per cent deficiency warrants, which amount to \$458,059.31, and that being added to the surplus on hand January 1, 1881, to-wit: \$689,774.43 amounts to \$1,147,833.74 in the two years, or annually, \$573, 916.87.

At my inauguration, the twenty-first January, 1879, there was no revenue in the Treasury subject to payment of ordinary expenses. The sum of \$80,419.23 then in the Treasury as revenue was held to meet matured interest, due first of January, 1879, and was so applied.

The State Treasurer, the Hon. F. R. Lubbock, shortly after he assumed control of the Treasury, which was on the twenty-first of January, 1879, changed the rule that had previously prevailed in that department of paying out one-fourth of the revenue, as it came in, to the first on who called with warrants, to the plan of registering the warrants, as they were presented at the Treasury, and paying them according to the date and order of registration when there were funds in the Treasury that could be used for that purpose. It was not only an equitable rule, but had a beneficial effect financially as exhibited in the fact, that the discount on warrants gradually diminished until the first day of May, 1879, after which time they have been paid promptly at the Treasury when presented, and the warrants have been at par with money.

The question naturally arises, how were these results produced?

They were produced in part, by the increasing prosperity of the country in its monetary condition, in part by laws previously passed which were gradually improving the finances of the State, and in part of the laws passed by the Sixteenth Legislature, to increase the revenue and to retrench expenses, and to diminish the debt and interest, aided by the executive officers in giving information, and in the execution of laws passed by them. The laws passed by that Legislature if examined will evince an extended investigation into all the departments and operations of the State government with a view to improvement, both in efficiency and economy.

On the subject of

#### TAXATION AND THE COLLECTION OF TAXES,

they passed no less than twenty separate enactments whose objects were to find additional objects of taxation, and to increase taxes where it could be done without injustice to any class of interests or persons, to improve the mode of collection and to secure the transmission of the money collected to the State Treasury. (See General Laws, pp. 15, 24, 39, 44, 46, 66, 71, 79, 118, 132, 141, 143, 160, 161, 164; Special Session, pp. 5, 6, 12, 29, 36, 39, 46.) There has not been a forfeiture of a tax collector's bond under the operation of these laws, and the money collected has been in the main promptly paid over, and not kept back for speculation or other purposes while warrants were selling at a discount in sight of the Treasury as had some times been the case.

It will perhaps be a more satisfactory guide for future legislation to show, as nearly as practicable, the operations of the government in regard to the revenue on hand at the end of the two fiscal years on the 31st of August, 1879, and 1880, and the actual expenses of the government during both of said years up to that date in each.

During five months of the first one of said years, to-wit: from the first of September, 1878, to the last day of February, 1879, the general appropriations, under which expenditures were made and expenses incurred, were in accordance with the acts of appropriation of the Fifteenth Legislature, though some of said appropriations were made by the Sixteenth Legislature, by way of extending those previously made, up to the first day of March, 1879, when the general act of appropriation of 1879, passed by the Sixteenth Legislature, went into effect, under which, with subsequent acts passed by said Sixteenth Legislature, expenses have been incurred since that time.

It must be recollected that some of the provisions of the laws of the Sixteenth Legislature, designed to increase the revenue, and to diminish the expenses, did not have any ef-

fect in producing those objects, until some time after they were passed, and it was not until the second year of those two above mentioned, that they were in full operation.

It is proposed now to show the

*Expenditures of revenue, and the actual expenses incurred during the year 1878 and 1879, and the amount of revenue on hand at the end of each year, August 31, 1879:*

Expenditures of revenue from September 1, 1878, to August 31, 1879...	\$1,538,196 00
To this add amount of revenue appropriated and paid to public free schools.....	485,956 92
Total expenditure.....	\$2,024,153 91
From this amount deduct the deficiency account that accrued before and was paid in 1879.....	\$385,591 11
Also sinking fund set apart and paid out of revenue during that year.....	100,000 00—
	\$485,591 11
	\$1,538,562 80
To this add the deficiencies that accrued during that year for want of appropriation.....	69,172 03
The amount of the actual expenses for 1878-9.....	\$1,607,735 73
The amount of revenue on hand on August 31, 1879.....	\$261,106 04
If there had been full appropriation for all expenses of that year, the deficiency accrued that year would have been paid, amounting, as shown above, to the sum of.....	\$80,172 93
Had all of the expenses of that year been appropriated and paid there would have been left in the Treasury on August 31, 1879, revenue.....	\$191,933 11
By act in 1879 there was an appropriation for deficiency for schools, accrued before the year ending August 31, 1879, which was not paid out or audited, amounting to.....	\$30,000 00
Leaving available revenue on August 31, 1879.....	\$161,933 11
Expenditures of revenue from September 1, 1879, to August 31, 1880	\$1,361,100 00
To this add amount of revenue appropriated and paid to public free schools.....	340,377 35
Total expenditure.....	\$1,701,478 31
Deduct from this amount the deficiency account that accrued before 1878-9 and was paid that year.....	\$ 22,837 13
To this add for deduction one-third of the collections of revenue under the bell punch law paid to the counties.....	97,980 30
To this add for sinking fund paid out of revenue.....	100,000 00
Total deduction.....	\$220,817 43
Subtract total deduction from total expenditure, and there is left.....	\$1,480,660 88
To this add deficiency accrued during that year for want of appropriation	6,902 43
Thus is shown the expense for the year ending August 31, 1880.....	\$1,486,263 31
Revenue on hand in the Treasury August 31 1880.....	707,189 78
To show the available amount there must be deducted the deficiencies accrued in both years that are unpaid which amount to.....	75,076 36
To which must be added an appropriation for deficiency for schools, accruing before the year ending August 31, 1879, which has not been paid out of the Treasury nor audited.....	30,000 00
Total deducted.....	\$115,076 36
Leaving in the Treasury on August 31, 1880, available revenue.....	\$602,114 42

It may be instructive also, to show what would have been the operations of the government in regard to revenue during the same two years, as we now can ascertain them, if there had been, as usual, an appropriation to pay the previous deficiency in money, instead of converting them into four per cent. warrants and deferring their payment, by the Sixteenth Legislature in 1879, and if there had been a sufficient appropriation then made to cover all deficiencies that occurred during those two years, and if the sinking fund had been paid as it was, and if the \$30,000 appropriated to the previous school deficiency had been audited and paid.

**FIRST YEAR.**

Amount of revenue that was in the Treasury August 31, 1879.....	\$261,106 04
From this deduct the deficiency debt that was converted into four per cent. warrants and paid, less \$4,739 13 interest paid on them.....	\$403,590 11
To which add for deduction the deficiency that accrued that year, and the school deficiency above stated of \$30,000.....	99,172 93
Total that would have been paid if there had been money enough before August 31, 1879.....	\$602,763 04—
	\$602,763 04

Deficiency that would have existed August 31, 1879.....

**SECOND YEAR.**

Revenue in the Treasury, August 31, 1880.....	\$707,189 78
To have left that much in the Treasury at that date there must have been revenue enough, more than that, to have paid the deficiency of the previous year, \$241,657 and \$100,000 sinking fund, making \$341,657. Then if there had been an appropriation to have paid the deficiency of that year, and it had been paid.....	5,902 03
Available revenue that would have been left August 31, 1880.....	\$702,287 75

There is about \$32,000 of the amount shown to have been in the Treasury on August 31, 1880, that is revenue left there, that would have been paid out as interest on our bonded debt had not that amount of interest been saved by taking in bonds by the sinking fund, and by exchanging five per cent bonds for ten per cent bonds up to that time.

And by the said exchange from that time thereafter, our annual interest will have been over \$55,000 less than before the said exchange of bonds, which is more particularly shown in the separate message relating to that subject.

If the matters presented in the last statement, in regard to revenue be considered, it will be seen that warrants would have sold at a discount, as usual formerly, during the whole of the first year, and then, the deficiency of that year, and the sinking fund of the next, aggregating \$341,657 thrown upon the second year, to be paid by the surplus over current expenses, would have probably kept the warrants at a discount for six months longer, and thereby our five per cent bonds would hardly have been sold in the market when they did, if at all up the present time.

In making financial estimates for future years it is to be observed that the exact relation between actual expenses incurred, and the revenue collected to pay them, cannot be exhibited with mathematical certainty, by reports from the Treasurer's and Comptroller's departments for any one year, because, while the revenue on hand on the day of the close of the fiscal year, thirty-first of August, may be shown, some of the expenses that have been incurred during that year, have not been presented to and audited by the Comptroller, and therefore they will come in for payment after that day. The collections and receipts of revenue, and the incurring of expenses continue to run on, like the flow of perpetual streams, each independent of, and separate from the other; there is no means of adjusting and ascertaining their exact relation in amounts, at any one day; and therefore it is to be approximately ascertained and estimated by the results in each year, and their relation to each other as exhibited at the end of each year during a series of several years compared, after having noticed, and estimated any extraordinary increase or diminution of revenue, or of expenses, that has not, or may not occur in the next year or succeeding years.

An examination of the statements that have been heroin submitted, will show, with sufficient certainty, that there has been an increase of surplus revenue, and a diminution of the actual expenses of the government, during the two fiscal years of 1878 and 1879, and of 1879 and 1880, and with marked effect during the latter year, when the laws passed by the Sixteenth Legislature were in full operation, and exhibiting their effects upon the finances of the State. I respectfully refer you to the reports of the Comptroller and Treasurer for full information thereon.

**PUBLIC FREE SCHOOLS.**

There had been great complaint that our public free schools were conducted without system, and that the large amount of money devoted to them from the State Treasury was in a measure wasted without adequate profit to the scholastic population for whom it was designed.

The subject was thoroughly examined into, and it was found that the complaints were not altogether groundless, though doubtless often exaggerated. It was found that the outline of a plan of organization had been inaugurated that could be built upon to make as good a system as could be made, consequently with the condition of the country, and with the means that could be justly devoted to it. Upon the recommendation of a State board of teachers assembled at Austin, a law was passed, and put into operation, that classed teachers into three grades, and paid them accordingly, and required them to induce the children to come to

school by making the amount of their compensation partly depend upon it. The result was that more scholars were taught longer than before, a normal school for the education of teachers was established, aided by the Peabody educational fund, and it was all done with much less expenditure of money from the Treasury. For a full explanation and elaborate statistics on this subject you are respectfully referred to the report of the Board of Education, in which will be shown the matters relating to the counties separately, with a general summary statement relating both to the organization, the work done, and the financial expenditures during the two years, prepared by Mr. O. N. Hollingsworth, Secretary of the Board, with great care and labor.

In this may be seen much that will show that our system has not been perfectly carried out; still it is evident that it is from year to year improving.

Upon this subject I respectfully refer you to the report and supplement of the Commissioner of the Land Office, that you may see what a large increase there has been in the sale of the lands belonging to the public free schools, and the consequent increase of that fund since the law of the Sixteenth Legislature went into effect, which allowed as much as three sections of land to be sold to one person without requiring him to settle on it, being 360,360 acres in the first nine months after the land was thus put upon the market.

In the report of the Board of Education an account is given of the normal school, for the education of white teachers, male and female, for which an appropriation was made out of the public free school fund of \$14,000 for each of the years 1879-1880, and 1880-1881. In that school, established at Huntsville, there have been supported, except clothing, seventy-four pupils last year, and provision made for ninety-three pupils this year. It was aided by a donation from the Peabody educational fund, through the agency of Dr. Sears, now deceased, to the amount of \$7,200 for last year, and \$9,000 this year, which is designed to be devoted to teachers to give them good salaries.

The splendid success of this school, its utility in a school system, and the assurance received of continued and increased aid from the Peabody fund, will induce me to request that at least two more such schools shall be established, one in Northern and the other in Southwestern Texas, to which I will more particularly call your attention hereafter.

It is proper to say that one of the best results produced by the laws that have been passed, and the mode of carrying these out, is the educational interest which has been aroused, and the general confidence inspired that a good practical system of common schools can be established on the present foundation, and that the State has the means to do it without an onerous burden of taxation. I shall hereafter endeavor to present to the Legislature some considerations for the advancement of education within the State.

**THE FRONTIER PROTECTION AND SPECIAL POLICE FORCE** have been maintained with efficiency, with nearly one-half the expense formerly appropriated. That has been done by equalizing the compensation of the officers and men, reducing it so that \$100,000 have been sufficient to support both forces, with competent officers and good men.

In this connection, it is proper to say that we are indebted to our delegation in Congress for their efforts and influence in procuring, upon my urgent request, and upon information collected mainly by General J. B. Jones, the passage of a law of Congress at its last session, prohibiting the officers of the United States, except the President, from granting to the Indians of the reservations leave to come into Texas for any purpose whatever. This law, if complied with, will greatly relieve our force in the field, and allow them to give almost exclusive attention to giving aid to peace officers in the arrest of criminals, and in otherwise aiding in the execution of

the laws, which will continue to be necessary to some extent, so long as we have an extensive unsettled or sparsely settled country within the limits of Texas. I respectfully refer you to the report of the Adjutant General, for a full account of the operations of his department.

You will find in that, also, the great benefit of having examined into the financial affairs pertaining to it, by which the means of improving its efficiency was discovered and applied.

There is also shown there that the State militia has been organized under the law of the Sixteenth Legislature, as a substantial arm of the government, to aid in an efficient execution of laws, and in the protection of property and life, under the direction of the civil authorities. I respectfully recommend a due consideration of your honorable bodies as to how best there may be some suitable provision of a permanent character, by which its continued organization may be encouraged, and extended to all parts of the State, and for their compensation when called into service in aid of the civil authorities; and in this connection I beg leave to suggest that the part of the original bill, inserted in the Revised Civil Statutes, which was stricken out by the Sixteenth Legislature, might be so modified as to be acceptable for that purpose, by levying and collecting, as other taxes, from all persons of the proper age for military service who do not join the companies, a very small tax, a mere trifle, to be disposed of for the objects herein indicated.

I have referred to these two subjects relating to the schools and to frontier protection and police service, because they have heretofore been objects for which there has been the greatest expenditure of revenue, and by giving special attention to them, there has been the most notable retrenchment of expenses and at the same time a decided improvement in bringing them to a systematic efficiency beyond what has been previously attained.

I respectfully refer you also to the report of the Commissioner of the General Land Office, in which the same thing is manifested, as evidenced by the increased fees for the work performed, and the diminished expenses of the establishment. In this report is exhibited a number of matters of great public interest relating to the business of that office, and the amount of land belonging to the university, the asylums, the public free schools, and especially to the number of school lands sold from November 20, 1879 to September 1, 1880, a period of about nine months, being 360,360 acres, under the law of 1879, whereas the sales of previous years were a little over ten thousand acres, upon an average, for five and one-half years. Had the law not limited the sale to three sections to one person, a great deal more of said lands might have been sold and the school fund proportionately increased.

I likewise refer to the report of the Secretary of State, to that of Commissioner of Insurance, History and Statistics, and to that of the Attorney General, in each of which will be seen presented matters for serious consideration, as well as an evident improvement in the operation of their respective departments.

The different boards, to which important matters have been entrusted, have also made reports, which will be submitted,—as the Printing Board, the Capital Land Board, the East Texas Penitentiary Board, the Board of the Agricultural and Mechanical College, which will embrace an account of the Prairie View Normal School, for colored pupils; the board for letting out the contract to convey convicts to the penitentiary; the Local Directors and Superintendent of the penitentiary at Huntsville; the Managers and Superintendent of the Lunatic Asylum; the Trustees and Superintendents of the Deaf and Dumb, and of the Blind, institutions of learning, styled in the Constitutions and laws Asylums; report of Fish Commissioner; report of Veteran Board, and the rules of the penitentiary.



In addition to these, there will be submitted to you separate messages upon subjects confided to the direction of the Chief Executive, as upon quarantine, upon appropriations under the control of the Governor, upon the sale and exchange of bonds authorized to be issued by the Sixteenth Legislature, and upon loans to railroad companies of the special school fund.

These reports and messages, with the others that have previously been referred to, are designed to exhibit to the Legislature a full and complete view of the operations of the government, during the two preceding years of my administration, and to present for consideration such recommendations of amendment, as have been shown to be necessary, which I most respectfully recommend to your favorable consideration. To some of them, it is designed to call your attention more especially hereafter as the basis of recommendation. When they shall have been fully examined, it is confidently believed that, notwithstanding the general reduction of expenses, you will find that in every department and branch of the governmental service their efficiency has been sustained and generally increased, and that more system has been introduced, and that they are in better condition now than before, for progressive improvement.

For the present, now at the commencement of your labors for the good of the State, I ask your attention especially to the reports of the asylums, and of the penitentiaries, at Huntsville and at Rusk, that I may enter a plea for the unfortunates of the land—the lunatic, the deaf and dumb, the blind, the convict, and especially for the youthful criminal who has been led into crime by the bad example and teachings of older and worse people.

We have now on hand a large surplus of revenue—a thing that never occurred before in the history of this State; so large indeed, that the frequency lately of the robberies of banks and store-houses, and of people on the roads, suggested to me the propriety of having it guarded by a military force, that may now be seen in the capital enclosure, so that somebody should certainly be hurt, if the people's money, collected in the Treasury, should be attempted to be robbed.

I respectfully recommend that enough of this surplus revenue be appropriated to enlarge the Lunatic Asylum, so as to enable it to receive every lunatic in the State, and that promptly, for medical attention for relief, if practicable, and as a home if found incurable, of whom there are now not fewer than two or three hundred in jails and other places, suffering for want of proper care; to the institutions of the Deaf and Dumb and Blind, that those unfortunate classes of persons may have their misfortune alleviated, and of whom there are now not less than one or two hundred, that might be benefitted; and to the two penitentiaries, so as to make convicts, condemned to that sort of punishment, be sent to a place of penitence, and reform, in fact, and not as now to be placed in servile bondage; and to a reformatory institution for convicts under seventeen years of age, that should not, as now, be placed in contact with experienced and hardened felons. It can hardly be necessary in this age to present reasons for these objects, which must be esteemed, in any civilized country, the most deserving of charity and benevolence of any others, and as placing the State under the highest obligations for relief at the first moment it finds itself able to furnish it. Fortunately it now has the ability, by the use of this most fortunate surplus revenue, if it should be used for those purposes.

To enlarge the improvements of the Lunatic Asylum so as to receive all that should be in it now, will require an outlay of about \$200,000, as it has been estimated. To do the same in regard to the Blind and Deaf and Dumb Asylums will require about \$50,000 each. To finish improvements and furnish machinery for each one of the two penitentiaries will require about \$150,000 each, which will be seen from esti-

mate that will be furnished, and when completed they can gradually be filled up with convicts, as they can be utilized within the walls, numbering from twelve to fifteen hundred of them. And to provide a reformatory institution, embracing a small farm and workhouse with other things necessary, will require \$25,000 to \$50,000.

It is submitted that the State, having undertaken to give relief and make reform on these subjects, should not stop half way in the effort, but being now able should complete these things that have been begun so as to fully accomplish the objects designed, than which there could be nothing more creditable to her people, and it must be presumed more conformable to their patriotic aspirations.

These institutions are, each and all of them, under good management, and are, and have been, most satisfactorily and harmoniously conducted, with increasing usefulness, and increasing favor and appreciation, that give full assurance that the favor of the government will be profitably bestowed on them.

Respectfully submitted,

O. M. ROBERTS, Governor.

The secretary proceeded to read the message, when on motion of Senator Terrell, the reading of the same was suspended.

Senator Duncan moved that five thousand copies of the Governor's message be ordered to be printed, and that the Secretary be authorized to contract for the same. Adopted.

On motion of Senator Swain, two thousand copies of the Governor's message were ordered to be printed in German.

Senator Harris introduced a bill entitled "An act for the relief of all persons whose lands have been sold for taxes and bought in by the State." Referred to Committee on Public Lands.

Senator Buchanan of Grimes, chairman of Committee on Engrossed Bills, submitted the following report;

COMMITTEE ROOM,  
AUSTIN, January 14, 1881.

Hon. J. D. Sayers, President of the Senate:

Your Committee on Engrossed Bills have compared Senate concurrent resolution, allowing room in the Capitol building for the Western Union Telegraph office, and find the same correctly engrossed.

BUCHANAN of Grimes, Chairman.

On motion of Senator Ross, the Senate adjourned till 10 o'clock to-morrow morning.

#### FOURTH DAY.

SENATE CHAMBER,  
AUSTIN, January 14, 1881. }

Senate met pursuant to adjournment; Lieutenant-Governor Sayers in the chair.

Roll called—quorum present.

Prayer by the Chaplain.

On motion of Senator Shannon, the reading of the journals of yesterday was dispensed with, and the same adopted.

Senator Homan, for the Committee on Public Printing, submitted the following report:

COMMITTEE ROOM,  
AUSTIN, January 14, 1881.

Hon. J. D. Sayers, President of the Senate:

Your Committee on Public Printing, to whom was referred Senate resolution No. 2, providing for the printing of the journals of the Senate, have considered the same, and I am instructed to recommend its passage, with the accompanying amendment.

HOMAN, for Committee.

Amendment proposed by committee:

Strike out of resolution the words "and five hundred copies daily to be reserved for binding."

Resolution read and committee amendment adopted.

Senator Martin of Navarro, moved a division of the question. Carried, and the first division "providing for the print-